

Frederick County Government Frederick, Maryland

News Release

Winchester Hall / 12 East Church Street Frederick, Maryland 21701 CONTACT: Robin K. Santangelo Public Information Officer 301-600-2590

TTY: Use Maryland Relay

rsantangelo@FrederickCountyMD.gov

FOR IMMEDIATE RELEASE:

May 5, 2015

Contrary to an irresponsible report issued today, no Montevue residents will be put out on the street...

GARDNER SUPPORTS THE PRESERVERVATION OF THE CITIZENS & MONTEVUE FACILITY

FREDERICK, MD – Frederick County Executive Jan Gardner today expressed her continued commitment to seeking ways to preserve the Citizens Care & Rehabilitation Center and Montevue Assisted Living facility for the future betterment of Frederick County citizens.

Executive Gardner said, "During my campaign for county executive, I stated very clearly that I would fight to save Citizens and Montevue to keep our promise to our seniors and to save taxpayers money. I still believe the deal proffered by the past administration is a bad deal for our county and our seniors. I believe the current arrangement with Aurora Holdings is not in the best interest of the Frederick County taxpayers. The county's legacy of providing service to people in need, on property deeded to the county for this purpose, should continue for the betterment of the community. We must keep our promise to our seniors. We must protect our taxpayers."

On May 1, 2014, the last Board of County Commissioners entered into a lease – purchase agreement for the Citizens Care & Rehabilitation Center and the Montevue Assisted Living facility. A group of Frederick County residents named "Save Citizens/Montevue," brought a lawsuit that seeks to prevent the sale of the Citizens and Montevue facility.

The lawsuit focuses on a deed from 1826 that includes the statement "for the benefit of the poor and for no other purpose." As of right now, Aurora Holdings is managing both operations and is renting the facilities. However, the county still maintains ownership.

(more)

In January of this year the judge in the case postponed it to allow the parties to voluntarily resolve the matter. In an effort to resolve the issues raised in the litigation, all parties have agreed to a <u>confidential</u> three-party mediation between the individuals who brought the litigation, Aurora and the county. The goal of mediation is to arrive at a comprehensive resolution that will be agreeable to all parties. This mediation will take place next month.

As part of the arrangement with Aurora, the county entered into a Continued Care Commitment Agreement that provides for the assisted living care of all the individuals who were receiving county subsidized care for so long as they needed assisted living care. It was based on assumptions about the expected need for the care of these residents.

During this past year, the first year of this agreement, this arrangement has proved to be very favorable financially to Aurora, as the number of individuals receiving the assisted living care has declined much more rapidly than anticipated and yet the agreement calls for the county to continue paying a rate based on more residents. There are only 38 subsidized residents in Montevue at this time, and yet the county is expected to pay for more.

Per its obligations in the care agreement, the county has already made payments of \$3.5 million dollars to Aurora. As of May 1, 2015, the county placed the next payment of \$3.25 million in an escrow account.

Executive Gardner explained that the county has paid far in excess of the reasonable cost of providing the care for these individuals. "I am fulfilling my campaign promise to try to negotiate to retain ownership of Citizens & Montevue and fulfill our longstanding mission to take care of our elderly citizens. In addition, as county executive, I must protect the taxpayers. And, I understand the obligations of the county. We have placed money in an escrow account and we will meet all our obligations at the conclusion of the negotiations and mediation. Aurora has stated they will not put any Montevue residents out on the street, and county staff has contacted the administrators at the facility to assure them we would not take any action to do that either, regardless of an irresponsible media notice that was issued this morning," she added.

For additional information, contact Public Information Officer Robin Santangelo at 3901-600-2590 or via e-mail at rsantangelo@FrederickCountyMD.gov